



BRIGHTON PEACE & ENVIRONMENT CENTRE

FINANCIAL SERVICES

The financial nuts and bolts of high-street banks may perhaps not be everyone's cup of tea, but wouldn't it be nice to know exactly where the money that comes from the magic hole-in-the-wall is from? Wouldn't it be nice if some bright sparks could find this out for you, so you could make an informed decision about how your hard earned pennies are used? Possibly on a factsheet that you could pick up for free and take home..? You know we spoil you – a nice summary of what's going on beneath the dotted lines and black (often red!) ink.

Banks and Building Societies

British banks have holdings in World Bank bonds and support many controversial World Trade Organisation agreements, which may disadvantage Third World countries. Look for banks with ethical investment policies. For more information contact the **Ethical Investment Research Services (EIRIS)** - www.eiris.org.

Mutual building societies are less likely than banks to invest in firms that, for instance, trade in arms or in countries run by oppressive regimes. If switching, tell your old bank/building society why. Once switched, you can take an active role in how your bank sets its ethical policy through customer consultation.

The Good Shopping Guide - <http://www.ethical-company-organisation.org> - recommends **Charity Bank, Co-operative Bank, Chelsea Bank, Ecology Building Society** and **Triodos Bank**.

Internet Banks

Internet banks such as **Egg, Cahoot** and **First Direct** usually represent the online arm of the major banks with their unethical policies.

Zopa puts money lenders in touch with borrowers and claims to offer better interest rates for borrowers and investors than banks or building societies - www.zopa.com.

The Good Shopping Guide recommends the **Co-operative Bank, Nationwide, Norwich & Peterborough Building Society's NetmasterGold** and **Smile** (the internet arm of the Co-operative Bank).

Charity Credit Cards

The **Co-op** bank has an *Oxfam Visa credit card* and similar cards for **Greenpeace, Amnesty International** and the **Royal Society for the Protection of Birds**, among others.

Ethical Alternatives

Credit Unions:

These are financial co-operatives which offer savings and good value loans. There are 400 credit unions in the UK with 400,000 members. **The Association for British Credit Unions Ltd (ABCUL)** is the main trade association - www.abcul.coop.

Our local credit union is *East Sussex Credit Union, 113 Queens Road, Brighton* - www.credit-union.org.uk.

Local Exchange Trading Systems/Schemes (LETS):

LETS members exchange goods and services with each other via a points system - no money changes hands.

An informal skills swap is something you could consider in your local community. Our local LETS is called *Bright Exchange* - www.brightexchange.org.uk.

Socially Responsible Investments (SRIs):

Investment is one of the most effective ways of being an ethical consumer. Firstly, identify your most important ethical



Photo courtesy of Joshua Davis

issues. Some funds have a broad appeal, whilst others are focussed. There is positive screening and negative screening.

- Positive screening involves investing in companies whose fund supports their sector (e.g. renewable energy), practices (e.g. fair trade), or products and services (e.g. social housing)
- Negative screening involves avoiding investing in companies because of their sector, policies or products and services

Consult an Independent Financial Adviser who specialises in ethical investment (see below).

Stocks and Shares

If you have company shares, ask about their ethics and if they produce a social or environmental report. The **FTSE4Good** is a stock market index listing firms that have particularly good ethical trading policies - www.ftse.com/ftse4good.

Triodos Ethex is an ethical stock exchange where investors can buy and sell shares in ethical companies. For more information *Tel: 0845 600 9662*.

Take advice from a stockbroker who understands ethical markets. The **Ethical Investment Association (EIA)** - www.ethicalinvestment.org.uk - has a list of members and information on ethical investments. Alternatively, contact the **Association of Private Client Investment Managers and Stockbrokers** - www.apcims.co.uk or **EIRIS**.

Independent Financial Advisers

Choose one accredited by a recognised body specialising in ethical investments such as **EIRIS**, **UK Social Investment Forum (UKSIF)**, or the **Association of Independent Financial Advisers** - www.unbiased.co.uk.

Ethical Consumer also mentions the **Ethical Investment Co-operative**, **The Ethical Investors Group** and **The GAEIA Partnership**.

- **Barchester Green Investment** was the first IFA to specialise in ethical investment
- **The Ethical Partnership** is a nationwide co-operative of IFAs who specialise in ethical investment

Pensions

For company pension funds, the trustees have to tell you if they have an ethical policy, and if so, what it is. Ask for a copy of the Statement of Investment Principles. You can transfer your pension contributions to one of the socially responsible funds.

For personal pensions, you can choose an ethical option, such as a stakeholder pension or personal pension plan.

Take advice from an Independent Financial Adviser who specialises in ethical investment.

Mortgages

The Good Shopping Guide recommends the **Co-operative Bank**, **Ecology Building Society**, **Ethical Mortgages**, **Nationwide Building Society** and **Norwich & Peterborough Building Society**.

Insurance

Apparently there is no such thing as an ethical insurance company. However, there are those which encourage sustainable development.

Ethical Consumer recommends the **Environmental Transport Association (ETA)** - www.eta.co.uk - for home and car insurance and **Naturesave** for home insurance. *Ethical Consumer's* best of the most widely available brands for car and home insurance are **Co-operative Insurance**, **esure** and **MORE TH>N**. Also mentioned are **Ecclesiastical**, with its charitable status and history of ethical investment, and **LV**, for its mutual status.

For discounts for energy-saving there is **CIS'** eco-insurance for more fuel-efficient cars, **MORE TH>N** for hybrid and electric cars and **Naturesave** on insurance for homes with, for instance, enhanced insulation, solar panels and water butts.

The Good Shopping Guide provides free summaries of financial-sector advice, from mortgages to insurance to general banking services - www.ethical-company-organisation.org.

What you can do right now:

Log onto www.ecoswitch.com for more info on how to switch your account.

Resources & Further Information

'A Good Life' by Leo Hickman,
Eden Project Books, 2005

Ethical Consumer, 107 Jly/Aug 2007;
109 Nov/Dec 2007; 111 Mar/Apr 2008

'Green Living for Dummies' by Liz Barclay
& Michael Grosvenor
John Wiley & Sons, 2007

'The Good Shopping Guide'
Ethical Marketing Group, 2006

'The Rough Guide to Ethical Living'
by Duncan Clark - Penguin Books, 2006